

MAINE GAMBLING CONTROL BOARD

March 18, 2014

09:00 – 11:00

Gambling Control Board Room

45 Commerce Drive Suite 3

Augusta, Maine 04330

Meeting opened at 9:00 am

Board members present: Tim Doyle Chair, Barbara Dresser, Matt Dyer, Joe Laliberte

Staff present: Office Specialist I Janine Collins, Detective Don Armstrong, Auditors Donald Berrie and Jill Tobey, Inspector Supervisor Vicki Gardner, Executive Director Patrick Fleming.

Legal counsel present: Assistant Attorney General Lauren LaRochelle

Introductions:

The Board introduced themselves followed by introductions of the staff and counsel by Executive Director Fleming.

Review of the minutes 02/18/2014

Motion to accept the minutes as presented with the amendments to the two tabled rule motions: Joe Laliberte, Board Member

Seconded: Matt Dyer, Board Member

Vote: Unanimous

Executive Director Report – Legislature – An update on the gambling bills in the legislature. As he has mentioned last month all but one of the bills came out of committee ought not to pass. During the last few weeks the bills that came out of committee ought not to pass all received ought to pass votes in the House. Those bills would allow a full casino for the Houlton Band of Maliseets and the Passamaquoddy tribe and a casino in southern Maine. These bills are now in the Senate waiting to be heard. The bill to allow slot machines in the veterans organizations, the only bill to come out of committee ought to pass is in the Senate waiting for action. There is an amendment to this bill to put the machines in the OTB's and have them share the profits with the veteran's organizations that is still being discussed as well.

At the last meeting he also advised the Board of a bill that would change the funding stream for the Scientific Games contract. The bill was combined with a State Police initiative to change the funding for fingerprinting teachers. The bill ended up in the education committee which caused some confusion because they didn't understand the gambling piece. The education committee referred the bill to the VLA committee for work session. At the work session the VLA committee voted ought not to pass and the vote was unanimous- killing the bill. He is going to try and get the change put into the biennial budget next year and we will be watching the Sci Games bills in case something needs to be put in the 2015 supplemental.

Rules – the rules approved by the Board at the last meeting have been sent to the Attorney General's office for final review before they will be sent to the Secretary of State's office for final adoption. Hopefully that will be done in the next couple of weeks. The internal controls rule is being reviewed and revised and will have to go back out to public comment before coming back to the Board. If there are any substantial changes made today to the two rules we will be discussing we can go out for public comment at the same time as the MICS.

The self-exclusion process is going well. There was some press on the state taking over the list and a letter was sent out to all those previously on the Hollywood and Oxford lists advising them of the change and explaining their options. To date we have had 6 people exclude at the Oxford casino, 8 at the Hollywood Casino, and one walk in here at the Gambling Board office. The exclusions are getting sent to the casinos in a timely fashion and we have not had any problems so far.

Training – AAG LaRochelle and the Executive Director went to the GLI Regulators Roundtable last week and it was a very informative two days. They had a lot of discussion on internet gaming and other methods of expanding gaming as well as using technology to improve the gaming experience for the consumers. There were also discussions regarding how these new systems change the way the games are played as well some of the needs and pitfalls of trying to regulate these new gaming systems. One of the statements that he had heard several times was “You can’t regulate what you don’t understand” and he thinks attending sessions such as this will help us have a better understanding of what we face now and into the future.

East Coast Gaming Congress – He had mentioned at the last meeting that he had been invited to sit on a panel discussing gambling in New England at the May meeting of the East Coast Gaming Congress. He has been looking at the possibility of attending and it appears that as the old saying goes “you can’t get there from here”. He has researched planes, trains, and automobiles and hasn’t come up with any viable ways of getting there. To drive would take about nine hours each way and he is not sure that is the best use of my time for a one hour appearance.

Other states – There were some interesting developments regarding gambling in our neighboring states last week. In Massachusetts they broke ground on their first slot facility which is owned by Penn National. The Board there still has to make licensing decisions on three more casinos but the Chair of their board has already stated that the state needs to explore internet gambling as well to give their state an advantage and to keep up with the times.

In New Hampshire the House of Representatives voted down a bill that would have allowed one casino to be built. The bill was the result of a recommendation from a committee that was established when the casino bills were killed last year. There is still one bill in the New Hampshire senate but based on the House vote it does not look good.

Financial Update: Auditor Donald Berrie Your financial packet contains tax revenue comparisons for February 2014 compared with February 2013 as well as calendar year-to date 2014 revenue compared with calendar year-to date 2013. In spite of our difficult winter weather, tax revenue for February 2014 was 5% higher than February 2013. Year-to- date 2014 tax revenue exceeded year to-date 2013 by 1%. The distribution of tax revenues is available on the “Revenue Totals” tab of the Gambling Control Board web site.

A graphic representation comparing monthly tax revenues between the first 8 months of fiscal year 2013 and fiscal year 2014 is also included. The blue line plots monthly tax revenue during fiscal year 2013 and the red line plots monthly revenue during fiscal year 2014. Both years show a fairly consistent pattern with the highest revenue occurring in July and August and tapering off in September, October, November and December followed by an upturn in January.

To briefly recap the tax variance between Fiscal Year 2014 and Fiscal Year 2013:

July 2014 was higher 13%

August 2014 was higher by 11%

September 2014 was higher by 2%

October 2014 was higher by 1%

November 2014 was higher by 2%

December 2014 was lower by 12%

January 2014 was lower by 2%

And

February was higher by 5%. I will put February performance in perspective by saying that there were several severe weather days in February 2013.

Since we are only partially through the first quarter of calendar year 2014, it is premature to analyze 2014 quarterly slot machine hold compliance.

The Auditors continue to collect and analyze this data on a daily basis and monitor for any corrective action that may be needed.

State Police Update –Detective Don Armstrong has been working on renewals, he has had 82 new applications and 79 are still pending. Since this is the time of year when the casinos had opened there are more renewals then new applications. Phil January has come up with a letter regarding left of tito tickets, It is basically a certified letter to do the right thing. He will send them a letter that tells them that they have been recognized during a theft of a tito ticket. The letter tells them that they have 15 days to return the monies and has been very successful in the return of the monies. It doesn't necessarily mean that Detective Armstrong will not investigate this further.

Calls for service at Oxford was 11

Calls for service at Bangor was 7

Unfinished Business: Rule Review discussion Chapter 3 Section 6 There was a lengthy discussion at the last board meeting whether family members should be allowed to gamble at the casinos. The board was sent information prior to the board meeting from the Executive Director from other state regarding what other states do regard this issue.

Lengthy discussion on this again with regard to shared finances.

Motion to accept with proposed changes: Joe Laliberte

Seconded: Matt Dyer

Vote: 3 for 1 oppose

Section 2-e Display of licenses, Changes to the licenses can be made with basically no cost to the department.

Motion to display the license with the recommended changes to the license. Joe Laliberte

Seconded: Barbara Dresser

Vote: Unanimous

Chapter 27 Rule of Practice and Procedure of Gaming Conduct.

Discussion on this rule and how a complaint may be handled and what exactly it may be. How this would be handled.

Motion to move forward with the rewrite and redo of this rule. Joe Laliberte

Seconded: Matt Dyer

Vote Unanimous

New Business: Employee License Review

Licensee was convicted of a Class E offense and did not report when he was interviewed by Detective Armstrong or it was not disclosed on his application. When Detective Armstrong spoke with him about this he did not remember the specifics of it.

This was a bench trial and at the time of it ran concurrent with other incidents that he did disclose.

Motion to grant the license: Joe Laliberte

Seconded: Matt Dyer

Vote: Unanimous

Public Comment: Introduction of Jose Flores

Mr. Jose Flores introduced himself to the Board and gave a brief description of his experience, where he has worked prior to coming to Hollywood Casino Bangor. The Board welcomed Mr. Flores.

Meeting Adjourned: 10:46

Motion: to adjourn Matt Dyer

Second: Joe Laliberte

Vote: Unanimous

Next meeting is **April 15, 2014 at 9am in Bangor at the City Council Chambers**

Respectfully submitted, Janine Collins, Office Specialist I